

# **The Best Defense is a Good Offense**

Effectively Marketing

Municipal Bonds

**Presented by City of Houston Controller  
Ronald C. Green**



# Media Frenzy

*In light of the negative headlines about municipal bonds earlier in the year, it's become increasingly important to proactively engage the media.*

Bloomberg

Wall Street Journal

Bond Buyer

Local Newspapers/Editorials

Controller's Office Press Releases



# Recent Bond Issues

2010A Public Improvement Bonds

\$312.3 Million

Sale Date: November 16, 2010

*Approximately \$20M of PV Savings*

\*

2010B Public Improvement Bonds

(Build America Bonds)

\$191.4 Million

Sale Date: November 16, 2010

\*

2011 Combined Utility System Bonds

\$273.1 Million

Sale Date: February 23, 2011

# Attracting Investors

Coordinate a collaborative marketing effort with the lead underwriter.

- Discuss the upcoming bond issue with the desk and underwriter's in-house credit analysts.
- Stage investor road shows/calls .
- Pre-pricing discussions with the Finance Working Group.
- Coordinate the timing of the issue, including monitoring the calendar for various bond sales and economic releases.

Engage all members of the syndicate early in the bond issuance process, not just the lead.

Release offering documents at least two weeks prior to sale.

Obtain ratings sooner for inclusion in the preliminary offering document.

Conduct ongoing conversations with current bondholders.

# Maintaining and Enhancing Your Ratings

Why is it important to develop a “rating strategy”?

- Communicate with the rating agencies prior to bond issuance/annual surveillance.
- Disclose any fiscal challenges on the horizon and present an action plan with detailed solutions and a timeline for implementation.
- Develop contingency plans to respond to changes in the economic environment.
- Provide agencies with updated 5-year forecast, capital improvement plans, debt management policies.
- Maintain flexible debt management process that allows the City to quickly adapt to market changes.

# The Role of Technology

**The City Controller's website includes monthly, quarterly and annual financial, statistical and demographic information to help investors and the public understand the City's financial condition. This has been cited as a Best Management Practice by the Government Finance Officers Association (GFOA).**

Uploading information to its website allows the City Controller to:

- Simultaneously release disclosure information to the entire market;
- Control the content and timing of the release of information to ensure accuracy and completeness of information;
- Employ a low-cost method for timely dissemination of information to investors;
- Ensure that ongoing disclosure information is consistently and readily available, which increases secondary market liquidity.

# Questions?

[www.houstontx.gov/controller](http://www.houstontx.gov/controller)